



**Tida Samalapa**  
Executive Vice President

**Thai Farmers Bank**  
Public Company Limited



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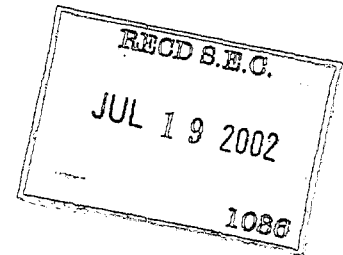
12g3-2(b) File No.82-4922

Ref No. CN. 228/2002

July 18, 2002

Securities and Exchange Commission  
450 Fifth Street  
Washington, D.C. 20549  
U.S.A.

SUPPL



Dear Sirs:

We are transmitting herewith, in accordance with our undertakings pursuant to Rule 12g3-2 (b) under the United States Securities Exchange Act of 1934, an English language summary of certain information that is being made public in Thailand.

Please arrange for the attached to be placed in our Rule 12g3-2 (b) "file" with the Commission.

Yours sincerely,

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THOMSON  
FINANCIAL



**Thai Farmers Bank**  
Public Company Limited

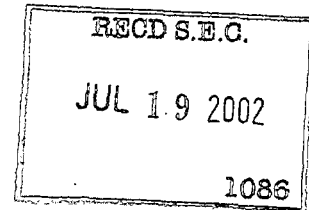


Ref. FA. 133/2002

July 18, 2002

To President

The Stock Exchange of Thailand



Subject : Submittal of the Unaudited Financial Statements

Enclosed herewith, please find copies of the unaudited financial statements for the second quarter ending June 30, 2002 compared with various time intervals of financial statements which were previously reported.

Document no. 1 Summary Statement of Liabilities and Assets as at June 30, 2002.

Document no. 2 Balance Sheet as at June 30, 2002, compared with the last 2 quarters ending March 31, 2002 and December 31, 2001

Document no. 3 Statement of Income for the six-month period ending June 30, 2002 compared with the six-month period ending June 30, 2001.

Document no. 4 Statement of Income for the second quarter ending June 30, 2002 compared with the second quarter ending June 30, 2001.

Document no. 5 Statement of Income for the second quarter ending June 30, 2002 compared with the first quarter ending March 31, 2002.

Document no. 6 Explanation of the Bank's operating results for the second quarter ending June 30, 2002.

We trust you will find the enclosed helpful and informative.

Yours sincerely,

( Mr. Banthoon Lamsam )

President and Chief Executive Officer



Document no. 2

**Thai Farmers Bank**  
 Public Company Limited


## THAI FARMERS BANK PUBLIC COMPANY LIMITED

## BALANCE SHEETS

|  | June 30, 2002<br>(Unaudited)<br>Baht | March 31, 2002<br>(Unaudited)<br>Baht | December 31, 2001<br>(Audited)<br>Baht |
|--|--------------------------------------|---------------------------------------|--|
| <b>ASSETS</b>  |                                      |                                       |  |
| Cash   | 10,413,742,114.85                    | 10,117,998,378.79                     | 12,142,412,381.88                      |
| Interbank and money market items                           |                                      |                                       |  |
| Domestic items   |                                      |                                       |  |
| Interest bearing   | 443,539,156.42                       | 617,869,980.82                        | 384,741,067.08                         |
| Non - interest bearing                                     | 4,624,666,731.42                     | 5,015,146,194.60                      | 3,295,628,283.39                       |
| Foreign items  |                                      |                                       |  |
| Interest bearing   | 154,278,198,508.69                   | 151,310,192,417.71                    | 160,119,894,180.23                     |
| Non - interest bearing                                     | 347,509,223.16                       | 615,681,797.98                        | 795,575,901.47                         |
| Total Interbank and Money Market Items - net               | 159,693,913,619.69                   | 157,718,890,391.11                    | 164,595,839,432.17                     |
| Securities purchased under resale agreements               | 17,200,000,000.00                    | 14,319,000,000.00                     | 3,700,000,000.00                       |
| Investments  |                                      |                                       |  |
| Current investments - net                                  | 54,815,180,400.00                    | 59,114,607,305.82                     | 28,348,351,515.23                      |
| Long-term investments - net                                | 62,507,586,073.72                    | 59,417,099,745.41                     | 76,939,249,759.26                      |
| Investments in subsidiaries and associated companies - net | 8,569,661,898.38                     | 7,916,094,656.71                      | 8,177,701,409.57                       |
| Total Investments - net                                    | 125,892,428,372.10                   | 126,527,801,707.94                    | 113,465,302,684.06                     |
| Loans and accrued interest receivables                     |                                      |                                       |  |
| Loans  | 458,739,769,560.31                   | 460,419,189,607.52                    | 466,139,990,926.36                     |
| Accrued interest receivables                               | 1,922,143,042.08                     | 2,010,115,476.94                      | 2,102,811,356.90                       |
| Total Loans and Accrued Interest Receivables               | 460,661,912,602.39                   | 462,519,305,084.46                    | 468,242,802,283.26                     |
| Less Allowance for doubtful accounts                       | (27,617,945,436.43)                  | (25,313,610,855.70)                   | (25,000,767,287.90)                    |
| Less Revaluation allowance for debt restructuring          | (2,741,238,342.16)                   | (4,015,411,019.54)                    | (3,699,383,728.95)                     |
| Less Normalized Provisioning                               | (400,000,000.00)                     | -                                     | -                                      |
| Total Loans and Accrued Interest Receivables - net         | 429,902,728,823.80                   | 433,110,283,209.22                    | 439,542,651,266.41                     |
| Properties foreclosed - net                                | 11,328,829,806.58                    | 11,510,808,626.70                     | 11,634,406,639.66                      |
| Customers' liability under acceptances                     | 607,584,274.35                       | 514,022,384.71                        | 611,508,834.65                         |
| Premises and equipment - net                               | 22,084,503,041.23                    | 22,130,499,398.90                     | 22,173,325,797.06                      |
| Accrued income receivables                                 | 1,967,501,698.38                     | 2,319,688,426.00                      | 1,792,916,047.32                       |
| Forward exchange contract revaluation                      | 6,490,664,058.73                     | 1,819,808,966.03                      | 1,893,942,551.54                       |
| Other assets - net   | 2,175,073,444.84                     | 2,816,810,601.38                      | 2,833,088,908.13                       |
| Total Assets   | 787,756,969,254.55                   | 783,139,412,090.78                    | 774,385,394,542.88                     |

Document no. 2

**Thai Farmers Bank**  
 Public Company Limited


## THAI FARMERS BANK PUBLIC COMPANY LIMITED

## BALANCE SHEETS

|   | June 30, 2002<br>(Unaudited)<br>Baht | March 31, 2002<br>(Unaudited)<br>Baht | December 31, 2001<br>(Audited)<br>Baht |
|---|--------------------------------------|---------------------------------------|--|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |                                      |                                       |  |
| Deposits                                    |                                      |                                       |  |
| Deposits in baht                            | 676,075,295,967.14                   | 671,907,575,511.70                    | 660,923,281,920.61                     |
| Deposits in foreign currencies              | 3,291,797,183.09                     | 4,168,797,880.22                      | 3,922,242,010.82                       |
| Total Deposits                              | 679,367,093,150.23                   | 676,076,373,391.92                    | 664,845,523,931.43                     |
| Interbank and money market items            |                                      |                                       |  |
| Domestic items                              |                                      |                                       |  |
| Interest bearing                            | 2,890,171,942.44                     | 3,603,912,323.49                      | 4,243,512,217.37                       |
| Non - interest bearing                      | 1,253,800,496.07                     | 1,050,851,499.18                      | 1,373,841,745.94                       |
| Foreign items                               |                                      |                                       |  |
| Interest bearing                            | 5,385,992,121.84                     | 4,557,583,244.67                      | 8,034,680,034.75                       |
| Non - interest bearing                      | 147,670,653.15                       | 232,367,021.27                        | 179,307,683.26                         |
| Total interbank and Money Market Items      | 9,677,635,213.50                     | 9,404,714,088.61                      | 13,831,341,681.32                      |
| Liability payable on demand                 | 2,681,925,632.73                     | 2,763,645,761.30                      | 3,455,518,602.37                       |
| Securities sold under repurchase agreements | 10,000,000.00                        |                                       | -                                      |
| Borrowings                                  |                                      |                                       |  |
| Long-term borrowings                        | 48,219,810,920.63                    | 48,607,741,614.07                     | 48,747,607,946.39                      |
| Total Borrowings                            | 48,219,810,920.63                    | 48,607,741,614.07                     | 48,747,607,946.39                      |
| Bank's liability under acceptances          | 607,584,274.35                       | 594,022,384.71                        | 611,508,834.65                         |
| Deferred tax liabilities                    | 3,629,417,000.90                     | 3,424,327,478.12                      | 3,738,463,537.34                       |
| Forward exchange contract revaluation       | 762,244,562.54                       | 304,444,423.01                        | 351,274,404.98                         |
| Accrued interest payables                   | 3,553,667,325.02                     | 4,108,979,984.68                      | 3,685,151,716.33                       |
| Other liabilities                           | 8,331,901,583.00                     | 9,737,513,729.64                      | 8,047,460,752.80                       |
| Total Liabilities                           | 756,841,279,662.90                   | 755,131,762,856.06                    | 747,313,851,407.61                     |

Document no. 2

**Thai Farmers Bank**  
 Public Company Limited


THAI FARMERS BANK PUBLIC COMPANY LIMITED  
BALANCE SHEETS

|   | June 30, 2002<br>(Unaudited)<br>Baht | March 31, 2002<br>(Unaudited)<br>Baht | December 31, 2001<br>(Audited)<br>Baht |
|---|--------------------------------------|---------------------------------------|--|
| Shareholders' equity                                |                                      |                                       |  |
| Share capital                                       |                                      |                                       |  |
| Authorized share capital                            |                                      |                                       |  |
| 547,345 class A preferred shares, Baht 10 par value | 5,473,450.00                         | 5,473,450.00                          | 5,473,450.00                           |
| 2,689,547,345 ordinary shares, Baht 10 par value    | 26,895,473,450.00                    | 26,895,473,450.00                     | 26,895,473,450.00                      |
| Issued and fully paid-up share capital              |                                      |                                       |  |
| 547,345 class A preferred shares, Baht 10 par value | 5,473,450.00                         | 5,473,450.00                          | 5,473,450.00                           |
| 2,352,547,372 ordinary shares, Baht 10 par value    | 23,525,473,720.00                    | 23,525,473,720.00                     | 23,525,473,720.00                      |
| Warrants and premium on warrants                    | 2,520,432,919.21                     | 2,520,432,919.21                      | 2,520,432,919.21                       |
| Premium on expired warrants                         | 2,999,999,280.00                     | 2,999,999,280.00                      | 2,999,999,280.00                       |
| Premium on share capital                            |                                      |                                       |  |
| Premium on preferred shares                         | 27,367,250.00                        | 27,367,250.00                         | 27,367,250.00                          |
| Premium on ordinary shares                          | 49,478,139,190.49                    | 49,478,139,190.49                     | 49,478,139,190.49                      |
| Appraisal surplus                                   | 6,429,928,047.86                     | 6,487,784,309.82                      | 6,515,961,788.31                       |
| Revaluation surplus on investments                  | 1,482,992,474.64                     | 529,800,913.55                        | 1,524,876,722.23                       |
| Retained earnings (deficit)                         |                                      |                                       |  |
| Appropriated  |                                      |                                       |  |
| Legal reserve                                       | 800,000,000.00                       | 800,000,000.00                        | 800,000,000.00                         |
| Other reserves                                      | 26,675,300,000.00                    | 26,675,300,000.00                     | 26,675,300,000.00                      |
| Unappropriated (deficit)                            | (83,029,416,740.55)                  | (85,031,21,798.35)                    | (87,001,481,184.97)                    |
| Total Shareholders' Equity                          | 30,915,689,591.65                    | 28,017,549,234.72                     | 27,071,543,135.27                      |
| Total Liabilities and Shareholders' Equity          | 787,756,969,254.55                   | 783,139,412,090.78                    | 774,385,394,542.88                     |
| Off-balance sheet items - contingencies             |                                      |                                       |  |
| Aval to bills and guarantees of loans               | 7,471,867,559.90                     | 8,249,520,079.92                      | 9,088,207,059.49                       |
| Liability under unmatured import bills              | 2,947,499,666.31                     | 2,845,927,937.08                      | 2,780,944,889.20                       |
| Letters of credit                                   | 6,976,114,401.67                     | 7,485,908,334.35                      | 6,529,421,619.69                       |
| Other contingencies                                 | 446,342,612,445.05                   | 390,439,419,698.61                    | 367,471,433,655.06                     |



THAI FARMERS BANK PUBLIC COMPANY LIMITED  
 STATEMENTS OF INCOME  
 FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2002 AND 2001

|   | 2002<br>(Unaudited)<br>Baht | 2001<br>(Audited)<br>Baht | Increase(Decrease)<br>Baht | %              |
|---|-----------------------------|---------------------------|----------------------------|----------------|
| <b>Interest and dividend income</b>   |                             |                           |                            |                |
| Loans   | 12,457,529,322.99           | 14,360,716,318.64         | (1,903,187,065.65)         | (13.25)        |
| Interbank and money market items  | 2,005,973,165.45            | 2,606,881,115.84          | (600,907,990.39)           | (23.05)        |
| Investments   | 2,432,411,954.31            | 2,423,914,675.99          | 8,497,278.32               | 0.35           |
| <b>Total Interest and dividend Income</b>   | <b>16,895,914,442.75</b>    | <b>19,391,512,270.47</b>  | <b>(2,495,597,777.72)</b>  | <b>(12.87)</b> |
| <b>Interest expense</b>   |                             |                           |                            |                |
| Deposits  | 6,262,185,654.61            | 7,593,471,020.56          | (1,331,285,365.95)         | (17.53)        |
| Interbank and money market items  | 193,648,570.88              | 562,110,413.03            | (368,461,842.15)           | (65.55)        |
| Short-term borrowings   | -                           | 367,268,835.49            | (367,268,835.49)           | (100.00)       |
| Long-term borrowings  | 2,556,229,509.58            | 2,582,807,811.77          | (26,578,322.19)            | (1.03)         |
| <b>Total Interest Expense</b>   | <b>9,012,063,735.07</b>     | <b>11,105,658,100.85</b>  | <b>(2,093,594,365.78)</b>  | <b>(18.85)</b> |
| <b>Net income from interest and dividend</b>  | <b>7,883,850,707.68</b>     | <b>8,285,854,119.62</b>   | <b>(402,003,411.94)</b>    | <b>(4.85)</b>  |
| Bad debt and doubtful accounts (reversal)   | (875,911,152.95)            | (1,869,572,179.32)        | (993,661,026.87)           | (53.15)        |
| Loss on debt restructuring  | 875,911,152.95              | 1,869,572,179.82          | (993,661,026.87)           | (53.15)        |
| Normalized provisions   | 400,000,000.00              | -                         | 400,000,000.00             | 100.00         |
| <b>Net income from interest and dividend after bad debt and doubtful accounts, loss on debt restructuring and normalized provisions</b> | <b>7,483,850,707.68</b>     | <b>8,285,854,119.62</b>   | <b>(802,003,411.94)</b>    | <b>(9.68)</b>  |
| <b>Non-interest income</b>  |                             |                           |                            |                |
| Gain on investments   | 714,569,332.30              | 1,171,494,937.64          | (456,925,655.34)           | (39.00)        |
| Share of profit (loss) from investments on equity method  | 431,755,465.17              | (723,439,019.11)          | 1,155,194,484.38           | 159.68         |
| <b>Fees and service income</b>  |                             |                           |                            |                |
| Acceptances, aval and guarantees  | 290,953,436.52              | 472,652,434.76            | (181,698,968.24)           | (38.44)        |
| Others  | 2,609,362,409.20            | 2,678,341,878.23          | (68,979,469.03)            | (2.58)         |
| Gain on exchanges   | 561,224,704.22              | 624,368,173.36            | (63,143,469.14)            | (10.11)        |
| Other income  | 288,332,347.49              | 291,012,430.19            | (2,680,072.70)             | (0.92)         |
| <b>Total Non-interest Income</b>  | <b>4,896,197,694.90</b>     | <b>4,514,430,844.97</b>   | <b>381,766,849.93</b>      | <b>8.46</b>    |



THAI FARMERS BANK PUBLIC COMPANY LIMITED  
 STATEMENTS OF INCOME  
 FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2002 AND 2001

|   | 2002<br>(Unaudited)<br>Baht | 2001<br>(Audited)<br>Baht | Increase(Decrease)<br>Baht | %        |
|---|-----------------------------|---------------------------|----------------------------|----------|
| Non-interest expenses   |                             |                           |                            |          |
| Personnel expenses  | 2,562,556,877.51            | 4,474,813,423.17          | (1,912,256,545.66)         | (42.73)  |
| Premises and equipment expenses                                   | 1,760,065,511.58            | 1,689,616,495.35          | 70,449,015.73              | 4.17     |
| Taxes and duties  | 856,282,275.79              | 678,586,034.26            | 177,696,241.53             | 26.19    |
| Fees and service expenses   | 692,584,937.86              | 691,251,454.88            | 1,333,482.98               | 0.19     |
| Directors' remuneration   | 18,722,645.72               | 13,271,043.00             | 5,451,602.72               | 41.08    |
| Loss on impairment of properties foreclosed (reversal)            | (101,607,067.75)            | 2,665,799,497.99          | (2,767,406,565.74)         | (103.81) |
| Loss on impairment of other assets (reversal)                     | (484,064.77)                | 41,642,242.28             | (42,126,307.05)            | (101.16) |
| Contributions to Financial Institutions Development Fund          | 1,352,805,130.98            | 1,315,848,886.96          | 36,956,244.02              | 2.81     |
| Other expenses  | 1,443,019,882.37            | 992,242,019.91            | 450,777,862.46             | 45.43    |
| Total Non-interest Expenses                                       | 8,583,946,129.29            | 12,563,071,098.30         | (3,979,124,969.01)         | (31.67)  |
| Income before income tax  | 3,796,102,273.29            | 237,213,806.29            | 3,558,888,407.00           | 1,500.29 |
| Income tax expense  | (46,045,654.71)             | 67,786,851.72             | (113,832,486.43)           | (167.93) |
| Net income  | 3,842,147,928.00            | 169,427,054.57            | 3,672,720,893.43           | 2,167.73 |
| Basic earnings per share  | 1.63                        | 0.07                      | 1.56                       | 2,228.57 |
| Number of the weighted average number of ordinary shares (shares) | 2,352,547,372.00            | 2,352,547,372.00          | -                          | -        |



Document no. 4

**Thai Farmers Bank**  
 Public Company Limited


**THAI FARMERS BANK PUBLIC COMPANY LIMITED**  
**STATEMENTS OF INCOME**  
 FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2002 AND 2001  
 (Unaudited)

|  | 2002             | 2001             | Increase(Decrease) | %        |
|--|------------------|------------------|--------------------|----------|
|  | Baht             | Baht             | Baht               |          |
| Interest and dividend income   |                  |                  |                    |          |
| Loans  | 6,090,168,998.48 | 7,019,330,840.63 | (929,161,842.20)   | (13.24)  |
| Interbank and money market items   | 940,659,442.41   | 1,260,360,610.60 | (319,701,168.19)   | (25.37)  |
| Investments  | 1,202,009,706.69 | 1,252,412,182.72 | (50,402,476.03)    | (4.02)   |
| Total Interest and dividend Income   | 8,232,838,147.58 | 9,532,103,634.00 | (1,299,265,486.42) | (13.63)  |
| Interest expense   |                  |                  |                    |          |
| Deposits   | 3,047,455,971.58 | 3,611,570,002.82 | (564,114,031.24)   | (15.62)  |
| Interbank and money market items   | 75,287,297.46    | 280,712,815.54   | (205,425,518.08)   | (73.18)  |
| Short-term borrowings  | -                | 184,648,972.43   | (184,648,972.48)   | (100.00) |
| Long-term borrowings   | 1,276,093,298.98 | 1,255,935,865.71 | 20,157,429.27      | 1.60     |
| Total Interest Expense   | 4,398,836,568.02 | 5,332,867,660.55 | (934,031,092.53)   | (17.51)  |
| Net income from interest and dividend  | 3,834,001,579.56 | 4,199,235,973.45 | (365,234,393.89)   | (8.70)   |
| Bad debt and doubtful accounts (reversal)  | 319,200,726.17   | (517,084,740.21) | 836,285,466.40     | 161.73   |
| Loss on debt restructuring (reversal)  | (319,200,726.17) | 517,084,740.23   | (836,285,466.40)   | (161.73) |
| Normalized provisions  | 400,000,000.00   | -                | 400,000,000.00     | 100.00   |
| Net income from interest and dividend after bad debt and doubtful accounts, loss on debt restructuring and normalized provisions | 3,434,001,579.56 | 4,199,235,973.45 | (765,234,393.89)   | (18.22)  |
| Non-interest income  |                  |                  |                    |          |
| Gain on Investments  | 159,221,951.86   | 94,560,224.45    | 64,661,727.40      | 68.38    |
| Share of profit (loss) from investments on equity method   | 601,432,882.80   | (110,216,324.21) | 711,649,207.02     | 645.68   |
| Fees and service income  |                  |                  |                    |          |
| Acceptances, aval and guarantees   | 143,547,302.43   | 214,457,892.12   | (70,910,589.69)    | (33.07)  |
| Others   | 1,260,793,513.60 | 1,244,681,005.40 | 16,112,504.20      | 1.29     |
| Gain on exchanges  | 359,610,194.03   | 258,317,664.37   | 101,292,529.66     | 39.21    |
| Other income   | 140,877,396.18   | 154,226,344.02   | (13,348,947.84)    | (8.66)   |
| Total Non-interest Income  | 2,665,483,240.90 | 1,856,026,810.15 | 809,456,430.75     | 43.61    |

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Document no. 4

**Thai Farmers Bank**  
 Public Company Limited


THAI FARMERS BANK PUBLIC COMPANY LIMITED  
 STATEMENTS OF INCOME  
 FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2002 AND 2001

(Unaudited)

|   | 2002             | 2001             | Increase(Decrease) | %        |
|---|------------------|------------------|--------------------|----------|
|   | Baht             | Baht             | Baht               |          |
| Non-interest expenses   |                  |                  |                    |          |
| Personnel expenses  | 1,287,174,842.55 | 2,298,597,772.08 | (1,011,422,930.13) | (44.00)  |
| Premises and equipment expenses                                   | 991,255,803.05   | 876,424,556.01   | 114,831,247.04     | 13.10    |
| Taxes and duties  | 436,103,600.65   | 335,436,697.08   | 100,666,902.67     | 30.01    |
| Fees and service expenses   | 345,833,848.67   | 403,387,284.08   | (57,553,436.01)    | (14.27)  |
| Directors' remuneration   | 11,848,739.23    | 6,820,051.06     | 5,028,688.17       | 73.73    |
| Loss on impairment of properties foreclosed (reversal)            | (99,257,664.33)  | 1,019,518,387.09 | (1,118,776,051.82) | (109.74) |
| Loss on impairment of other assets (reversal)                     | (15,060,674.08)  | (26,991,837.20)  | (11,931,163.17)    | (44.20)  |
| Contributions to Financial Institutions Development Fund          | 676,402,565.49   | 657,924,441.07   | 18,478,122.02      | 2.81     |
| Other expenses  | 580,082,576.43   | 322,982,646.00   | 257,099,929.93     | 79.60    |
| Total Non-interest Expenses                                       | 4,214,383,637.66 | 5,894,100,001.02 | (1,679,716,371.36) | (28.50)  |
| Income before income tax  | 1,885,101,182.80 | 161,162,774.08   | 1,723,938,408.22   | 1,069.69 |
| Income tax expense  | (34,352,072.19)  | 50,403,067.09    | (84,755,139.88)    | (168.15) |
| Net income  | 1,919,453,254.99 | 110,759,706.99   | 1,808,693,548.10   | 1,632.99 |
| Basic earnings per share  | 0.82             | 0.15             | 0.77               | 1,540.00 |
| Number of the weighted average number of ordinary shares (shares) | 2,352,547,372.00 | 2,352,547,372.00 | -                  | -        |



## THAI FARMERS BANK PUBLIC COMPANY LIMITED

## STATEMENTS OF INCOME

FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2002 AND MARCH 31, 2002

(Unaudited)

|  | June 30, 2002    | March 31, 2002     | Increase(Decrease) | %        |
|--|------------------|--------------------|--------------------|----------|
|  | Baht             | Baht               | Baht               |          |
| Interest and dividend income   |                  |                    |                    |          |
| Loans  | 6,090,168,998.48 | 6,367,360,324.51   | (277,191,326.03)   | (4.35)   |
| Interbank and money market items   | 940,659,442.41   | 1,066,760,236.21   | (126,100,793.83)   | (11.82)  |
| Investments  | 1,202,009,706.69 | 1,230,402,247.61   | (28,392,540.93)    | (2.31)   |
| Total Interest and Dividend Income   | 8,232,838,147.58 | 8,664,522,808.33   | (431,684,660.79)   | (4.98)   |
| Interest expense   |                  |                    |                    |          |
| Deposits   | 3,047,455,971.58 | 3,214,729,683.01   | (167,273,711.45)   | (5.20)   |
| Interbank and money market items   | 75,287,297.46    | 119,807,786.62     | (44,520,489.16)    | (37.16)  |
| Long-term borrowings   | 1,276,093,298.98 | 1,280,136,210.61   | (4,042,911.62)     | (0.32)   |
| Total Interest Expense   | 4,398,836,568.02 | 4,614,673,680.24   | (215,837,112.23)   | (4.68)   |
| Net income from interest and dividend  | 3,834,001,579.56 | 4,049,849,128.11   | (215,847,548.56)   | (5.33)   |
| Bad debt and doubtful accounts (reversal)  | 319,200,726.17   | (1,195,111,879.11) | 1,514,312,605.29   | 126.71   |
| Loss on debt restructuring (reversal)  | (319,200,726.17) | 1,195,111,879.11   | (1,514,312,605.29) | (126.71) |
| Normalized provisions  | 400,000,000.00   | -                  | 400,000,000.00     | 100.00   |
| Net income from interest and dividend after bad debt and doubtful accounts, loss on debt restructuring and normalized provisions | 3,434,001,579.56 | 4,049,849,128.11   | (615,847,548.56)   | (15.21)  |
| Non-interest income  |                  |                    |                    |          |
| Gain on investments  | 159,221,951.86   | 555,347,380.41     | (396,125,428.58)   | (71.33)  |
| Share of profit (loss) from investments on equity method   | 601,432,882.80   | (169,677,417.51)   | 771,110,300.43     | 454.46   |
| Fees and service income  |                  |                    |                    |          |
| Acceptances, aval and guarantees   | 143,547,302.43   | 147,406,134.03     | (3,858,831.66)     | (2.62)   |
| Others   | 1,260,793,513.60 | 1,348,686,651.51   | (87,893,137.94)    | (6.52)   |
| Gain on exchanges  | 359,610,194.03   | 201,614,510.13     | 157,995,683.84     | 73.37    |
| Other income   | 140,877,396.18   | 150,527,747.73     | (9,650,351.57)     | (6.41)   |
| Total Non-interest Income  | 2,665,483,240.90 | 2,233,905,006.31   | 431,578,234.52     | 19.32    |



THAI FARMERS BANK PUBLIC COMPANY LIMITED  
 STATEMENTS OF INCOME  
 FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2002 AND MARCH 31, 2002  
 (Unaudited)

|   | June 30, 2002    | March 31, 2002   | Increase(Decrease) | %        |
|---|------------------|------------------|--------------------|----------|
|   | Baht             | Baht             | Baht               |          |
| Non-interest expenses   |                  |                  |                    |          |
| Personnel expenses  | 1,287,174,842.55 | 1,275,382,034.91 | 11,792,807.59      | 0.92     |
| Premises and equipment expenses                                   | 991,255,803.05   | 768,809,708.51   | 222,446,094.52     | 28.93    |
| Taxes and duties  | 436,103,600.65   | 420,178,675.11   | 15,924,925.51      | 3.79     |
| Fees and service expenses   | 345,833,848.67   | 346,868,845.11   | (1,034,996.46)     | (0.30)   |
| Directors' remuneration   | 11,848,739.23    | 6,873,906.41     | 4,974,832.74       | 72.37    |
| Loss on impairment of properties foreclosed (reversal)            | (99,257,664.33)  | (2,349,403.42)   | 96,908,260.91      | 4,124.80 |
| Loss on impairment of other assets (reversal)                     | (15,060,674.08)  | 14,576,609.31    | (29,637,283.39)    | (203.32) |
| Contributions to Financial Institutions Development Fund          | 676,402,565.49   | 676,402,565.41   | -                  | -        |
| Other expenses  | 580,082,576.43   | 866,010,102.31   | (285,927,525.95)   | (33.02)  |
| Total Non-interest Expenses                                       | 4,214,383,637.66 | 4,372,753,044.01 | (158,369,406.35)   | (3.62)   |
| Income before income tax  | 1,885,101,182.80 | 1,911,001,090.41 | (25,899,907.69)    | (1.36)   |
| Income tax expense  | (34,352,072.19)  | (11,693,582.52)  | 22,658,489.67      | 193.77   |
| Net income  | 1,919,453,254.99 | 1,922,694,673.01 | (3,241,418.02)     | (0.17)   |
| Basic earnings per share  | 0.82             | 0.81             | -                  | -        |
| Number of the weighted average number of ordinary shares (shares) | 2,352,547,372.00 | 2,352,547,372.01 | -                  | -        |

**Explanation of operating results for the second quarter ending June 30, 2002.****1. Balance Sheets Highlights**

- Total assets as at June 30, 2002 stood at Baht 787,757 million which increase Baht 4,618 million or 0.59% from March 31, 2002.
- Loans as at June 30, 2002 stood at Baht 458,740 million, which decrease Baht 1,710 million or 0.37% from March 31, 2002, was resulting from higher volume of loan repayment over the loan drawdown.
- Total interbank and money market items on the assets side as at June 30, 2002 was Baht 159,693 million which increase Baht 1,985 million or 1.26% from March 31, 2002 and securities purchased under resale agreements of Baht 17,200 million increase Baht 2,881 million or 20.12% from March 31, 2002 due to the increase of the Bank's excess liquidity.
- Forward exchange contract revaluation on the assets side as at June 30, 2002 increases Baht 4,661 million or 254.72% from March 31, 2002 caused by the higher volume of forward exchange contracts in this quarter together with the favorable of foreign exchange rates of the Baht. Regardless of high volume of this item, the Bank has no foreign exchange risk involved since they have always been squared positions.
- Deposits as at June 30, 2002 was Baht 679,367 million which increase Baht 3,291 million or 0.49% from March 31, 2002 due to the increase in savings deposits.

**2. Statements of Income Highlights**

The Bank's net income for the first period this year was Baht 3,842 million which was recorded Baht 1,923 million and Baht 1,919 million in the first and second quarter respectively. The Bank's operating results are noted as follows.

In the first quarter, the Bank had recorded a profit of Baht 541 million from selling one sizable security investment. In the second quarter, the Bank had set up a normalized provision and put down Baht 400 million initially (see note 3.1) and had recognised share of profit from the Chanthaburi asset management company which was resulting from profit gain of Baht 665 million on selling one sizable investment in loans. Should the Bank exclude the above items, its net income for the first period read Baht 3,036 million.

## 2.1 Net Income from Interest and Dividend

In the second quarter, net income from interest and dividend was recorded at Baht 3,834 million which decreases Baht 216 million or 5.33% compared with that of the previous quarter.

The reasons are as follows:

- Interest and dividend income which consists of interest income from loans, interbank and money market items, fixed income bonds and dividend income from investments. The decrease in interest and dividend income of Baht 432 million or 4.98% was resulting from:
  - Average yield on total loans decreases from 5.50% to 5.30% caused by interest rates cut of 0.25% on February 19, 2002.
  - Average yield on interbank and money market items, especially foreign deposits, has been continuously decreased since mid 2001.
- Interest expense decreases Baht 216 million or 4.68% due to deposits rates cut of 0.25% on February 19, 2002 which causes the decline in average cost of deposits from 1.92% to 1.80%.

In the first period of 2002, the Bank has recorded net income from interest and dividend amounting to Baht 7,884 million which decreases Baht 402 million or 4.85% from the same period last year mainly due to interest rates cut of 0.25% in both lending and deposits on February 19, 2002 together with the continuous decline in foreign deposits rates.

## 2.2 Bad Debt and Doubtful Accounts and Loss on Debt Restructuring

This quarter, there were sizable restructured loans which failed to meet the commitments. Therefore, the Bank had transferred the related revaluation allowance for debt restructuring to allowance for doubtful accounts. This causes the reversal of expense of Baht 319 million in the "loss on debt restructuring" item and incurs expense "bad debt and doubtful accounts" item in the same amount. Since the Bank had adequately provided allowances for loan losses account, there will be no impact on the Bank's net income.

## 2.3 Normalized Provisions

The Bank set aside a normalized provision amounting to Baht 400 million (see note 3.1).



## 2.4 Non-interest Income

Non-interest income consists of gain (loss) on investments, share of profit (loss) from investments in associated and subsidiary companies, fees and service income, foreign exchanges income and other income.

This quarter, the Bank recorded non-interest income of Baht 2,665 million which increases Baht 432 million or 19.32% from the first quarter. The increase is mainly from share of profit from the Chanthaburi asset management company which was previously explained.

Thus, non-interest income for the first period was recorded at Baht 4,896 million which increases Baht 382 million or 8.46% from the same period last year also caused by the same reason mentioned above.

## 2.5 Non-interest expenses

The non-interest expenses in the second quarter of Baht 4,214 million decreases Baht 158 million or 3.62% from the previous quarter mainly caused by the decline in other expenses group.

For the first period this year, the non-interest expenses amounting to Baht 8,584 million decreases Baht 3,979 million or 31.67% from the same period last year. The decline caused by the reduction of allowance for impairment of properties foreclosed and provision for early retirement program which were commenced in the first period last year.

## 3. Assets Quality

### 3.1 Normalized Provisioning

The Bank has a policy to set aside normalized provisions above the current level of allowance for doubtful accounts which has been adequately booked by the Bank. The Bank believes that the current level of allowance for doubtful accounts is sufficient to absorb any damages arising from the non-performing loan population.

In accordance with international standards, besides adequately setting allowance for all normal and non-performing loans, a prudent bank should be ready to set aside normalized provisions to accommodate unforeseen losses such as in the event of drastic changes in the global economy.

The Bank will set normalized provisions to achieve a level of approximately 0.5 percent of all normal and non-performing loans. The Bank will gradually accumulate such provisions on a quarterly basis until achieving the set target. This quarter, the Bank set aside Baht 400 million

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to cover the first and second quarter in 2002.

### 3.2 Non-performing Loans (NPLs)

Non-performing loans (NPLs) (including financial institutions) of the Bank as at the end of the second quarter of 2002 has increased Baht 1,872 million from the previous quarter, mostly resulting from the reversion of restructured loans to NPLs and the decline in NPLs restructuring.

Non-performing Loans (including financial institutions) according to the Bank of Thailand's regulation are as follows.

(Million Baht)

|                                    | <u>The Bank</u>      |                       |                          |                           |
|------------------------------------|----------------------|-----------------------|--------------------------|---------------------------|
|                                    | <u>June 30, 2002</u> | <u>March 31, 2002</u> | <u>December 31, 2001</u> | <u>September 30, 2001</u> |
| Non-performing loans               | 62,281.3             | 60,409.5              | 62,721.9                 | 68,178.9                  |
| Total loans used for NPLs ratio    |                      |                       |                          |                           |
| calculation                        | 463,654.5            | 468,639.6             | 478,731.0                | 488,470.6                 |
| As percentage of total loans       |                      |                       |                          |                           |
| (including financial institutions) | 13.43                | 12.89                 | 13.10                    | 13.96                     |

(Million Baht)

|                                    | <u>The Bank and Thonburi Asset Management Company</u> |                       |                          |                           |
|------------------------------------|---|-----------------------|--------------------------|---------------------------|
|                                    | <u>June 30, 2002</u>                                  | <u>March 31, 2002</u> | <u>December 31, 2001</u> | <u>September 30, 2001</u> |
| Non-performing loans               | 94,854.5  | 95,218.9              | 98,741.3                 | 108,927.5                 |
| Total loans used for NPLs ratio    |   |                       |                          |                           |
| calculation                        | 487,432.2   | 494,106.6             | 505,513.8                | 517,608.3                 |
| As percentage of total loans       |   |                       |                          |                           |
| (including financial institutions) | 19.46   | 19.27                 | 19.52                    | 21.04                     |





(Million Baht)

The Bank, Thonburi Asset Management Company and Chanthaburi Asset  
Management Company\*

|                                    | <u>June 30, 2002</u> | <u>March 31, 2002</u> | <u>December 31, 2001</u> | <u>September 30, 2001</u> |
|------------------------------------|----------------------|-----------------------|--------------------------|---------------------------|
| Non-performing loans               | 107,138.8            | 108,308.7             | 112,087.3                | 123,946.9                 |
| Total loans used for NPLs ratio    |                      |                       |                          |                           |
| calculation                        | 489,752.6            | 495,955.0             | 507,446.0                | 520,497.7                 |
| As percentage of total loans       |                      |                       |                          |                           |
| (including financial institutions) | 21.88                | 21.84                 | 22.05                    | 23.81                     |

\* Should "investment in loans" in Chanthaburi Asset Management Company be treated as "loans" as previously practised prior to the bank of Thailand's notification dated May 10, 2001, the consolidated NPLs of the Bank with the two asset management companies would be as shown above.

### 3.3 Classified Loans

Allowance for doubtful accounts and revaluation allowance for debt restructuring as required by the Bank of Thailand edged up as a result of higher NPLs and degradation of certain classified loans. At the end of this quarter, without written off, the unsecured and fully reserved doubtful loss loans stood at Baht 4,690.0 million.

As at June 30, 2002, the Bank and Thonburi Asset Management Company recorded classified loans and accrued interest receivables, allowance for doubtful accounts, revaluation allowance for debt restructuring and normalized provisions as follows:



(Million Baht)

|   | <u>The Bank</u>                                     |   |   |                      |
|---|---|---|---|----------------------|
|   | Loans and<br>Accrued Interest<br><u>Receivables</u> | Outstanding Debt<br>after Deduction of<br><u>Collateral Value</u> | % Used for<br>Providing<br><u>The Provision</u> | Providing<br>Amounts |
| Allowance for doubtful accounts and revaluation |   |   |   |                      |
| allowance for debt restructuring according to   |   |   |   |                      |
| the Bank of Thailand's regulation               |   |   |   |                      |
| 1. Allowance for doubtful accounts from         |   |   |   |                      |
| classified loans                                |   |   |   |                      |
| Normal**  | 390,770.5   | 149,709.3   | 1   | 3,907.7              |
| Special Mention                                 | 8,508.3   | 1,345.6   | 2   | 170.2                |
| Sub-Standard                                    | 9,778.7   | 3,492.7   | 20  | 698.5                |
| Doubtful  | 13,277.7  | 4,931.3   | 50  | 2,465.6              |
| Loss  | <u>47,737.2</u>                                     | <u>4,690.0</u>  | 100   | <u>4,690.0</u>       |
| Total   | 470,072.4   | 164,168.9   |   | 11,932.0             |
| 2. Revaluation allowance for                    |   |   |   |                      |
| debt restructuring                              |   |   |   | <u>2,741.3</u>       |
| Total 1 and 2                                   |   |   |   | 14,673.3             |
| Allowance established in excess of BOT's        |   |   |   |                      |
| regulations                                     |   |   |   | 15,778.4             |
| Normalized Provisioning                         |   |   |   | <u>400.0</u>         |
| Total allowance for doubtful accounts,          |   |   |   |                      |
| revaluation allowance for debt restructuring    |   |   |   |                      |
| and normalized provisioning                     |   |   |   | <u>30,851.7</u>      |



(Million Baht)

The Bank and Thonburi Asset Management Company

|   | Loans and<br>Accrued Interest<br>Receivables | Outstanding Debt<br>after Deduction of<br>Collateral Value | % Used for<br>Providing<br>The Provision | Providing<br>Amounts |
|---|--|--|--|----------------------|
| Allowance for doubtful accounts and revaluation<br>allowance for debt restructuring according to<br>the Bank of Thailand's regulation |  |  |  |                      |
| 1. Allowance for doubtful accounts from<br>classified loans   |  |  |  |                      |
| Normal**  | 380,795.8                                    | 132,108.1  | 1  | 3,808.0              |
| Special Mention   | 9,695.7                                      | 1,619.8  | 2  | 193.9                |
| Sub-Standard  | 10,417.1                                     | 3,734.0  | 20                                       | 746.8                |
| Doubtful  | 13,497.5                                     | 5,044.6  | 50                                       | 2,522.3              |
| Loss  | <u>81,057.7</u>                              | <u>20,383.6</u>  | 100                                      | <u>20,383.6</u>      |
| Total   | 495,463.8                                    | 162,890.1  |  | 27,654.6             |
| 2. Revaluation allowance for<br>debt restructuring  |  |  |  | <u>2,865.3</u>       |
| Total 1 and 2   |  |  |  | 30,519.9             |
| Allowance established in excess of BOT's<br>regulations   |  |  |  | 23,475.0             |
| Normalized Provisioning   |  |  |  | <u>400.0</u>         |
| Total allowance for doubtful accounts,<br>revaluation allowance for debt restructuring<br>and normalized provisioning                 |  |  |  | <u>54,394.9</u>      |

\* Before deducting unearned discounts received in advance from loans to general customers and financial institutions amounting to Baht 160.4 million and Baht 0.2 million respectively.

\*\* Including loans and accrued interest receivables and allowance for doubtful accounts to financial institutions amounting to Baht 9,250.1 million and Baht 92.5 million respectively.



As at June 30, 2002, the Bank and its asset management companies recorded total allowance for doubtful accounts (including financial institutions), revaluation allowance for debt restructuring and normalized provisioning as follows:

|  | (Million Baht)   |   |  |
|--|--|---|--|
|  | The Bank, Thonburi<br>Asset Management<br>Company and<br>Chanthaburi Asset<br>Management<br>Company*** |   |  |
|  | The Bank   | The Bank and<br>Thonburi Asset<br>Management<br>Company | Company and<br>Chanthaburi Asset<br>Management<br>Company*** |
| Total Allowance for doubtful accounts<br>(including financial institutions),<br>revaluation allowance for debt<br>restructuring and normalized<br>provisioning | 30,851.7   | 54,394.9  | 56,582.0   |
| Allowance for doubtful accounts<br>(including financial institutions),<br>revaluation allowance for debt<br>restructuring as required by BOT                   | 14,673.3   | 30,519.9  | 31,966.2   |
| As percentage of total allowance for<br>doubtful accounts to allowance for<br>doubtful accounts as required by BOT   | 210.26   | 178.23  | 177.01   |

\*\*\* Should "investment in loans" in Chanthaburi Asset Management Company be treated as "loans" as previously practised prior to the Bank of Thailand's Notification dated May 10, 2001, the consolidated allowance for doubtful accounts of the bank with the two asset management companies would be as shown above.



#### 4. Capital Funds

As at June 30, 2002, the Capital adequacy ratio equals 13.21% while minimum requirement by the Bank of Thailand is set at 8.5%. Details are as follows:

|                     | <u>June 30, 2002</u> | <u>March 31, 2002</u> | <u>December 31, 2001</u> | <u>Percent</u><br><u>September 30, 2001</u> |
|---------------------|----------------------|-----------------------|--------------------------|---|
| Tier-1 Capital      | 7.58*                | 7.56**                | 7.27                     | 7.08  |
| Tier-2 Capital      | 5.63                 | 5.64                  | 5.46                     | 5.33  |
| Total Capital Funds | 13.21*               | 13.20**               | 12.73                    | 12.41                                       |

\* Excluding net income for the six-month period ended June 30, 2002. Should the first period's profit of 2002 be counted as the retained earnings, the tier-1 capital and total capital funds ratios would be 8.33% and 14.09% respectively.

\*\* Including the net income for the second period of 2001 after the approval of the Shareholders' Meeting on April 3, 2002.